Health Plans Trend Report FY 13/14 (12 months ending June 2014)
Basic Plans

Basic Plan membership declined 0.5% due to various reasons, including members aging into Medicare plans. Higher premium plans and those with large premium increases lost members and new plans, lower premium plans, or plans with reductions in premium gained members in Fiscal Year (FY; July-June) 2014. Overall cost trend, at 7.7%, was the highest in five years, overall and across all plans except PERSCare. The average annual trend from FY09/10 to FY13/14 was 4.8%.

Membership

- Basic Plan membership declined 0.5% (about 6,000 members).
- NetValue, with a relatively low and unchanged premium, increased membership by 23,000 members. PERSCare, with a dramatic reduction in premium, gained 11,000 members. New 2014 plans (HealthNET, United, Sharp, and Anthem HMO) attracted 24,000 members.
- Higher premium plans and those with relatively high premium increases lost about 63,000 members (Blue Shield Access+, PERS Choice, Kaiser, and PERS Select).

PMPM Cost

- Allowed costs PMPM rose 7.7% between FY12/13 and FY13/14, up from 2.5% between FY11/12 and FY12/13.

Service Category PMPM Change, Trend and Drivers

- The largest plans had 7% to 12% PMPM trends for Inpatient. Rx cost trends increased 9.7% over FY 12/13.

Service Category Utilization and Unit Price (among largest plans)

- Among the largest service categories, both unit prices and utilization increased, particularly for the large HMO plans. Inpatient utilization (admissions per 1,000) rose 0.5% percent, leveling off after several years of decline. Cost per admission increased 4.9% which resulted in an overall cost increase for this category of 5.4 percent.
- The main drivers of the Rx trend were an increase in specialty drug users and number of specialty prescriptions.
- PPO trends tended to be lower than HMO and were driven by price rather than by utilization.

Note: This report is based on incurred service dates, incurred through June 2014, with adjustment for claims incurred but not reported.

* *The dollar amounts in this report use the contractual "allowed" amounts due to healthcare providers for each claim rather than the "net" amounts paid by each plan. This allows for easier comparisons across plans where the portion of the allowed amount paid by the health plan versus the member can vary significantly because of differences in benefit design.*